

Buoyant speculation, especially in the purchase of the shares in industries which seemed endowed with perennial good fortune, aids the growing inflation, and a lengthened and propitious day appears to have dawned. The opportune promoter submits his novel schemes with blatant and profuse advertisement to a credulous public, which, in a saner condition of the general mind, would have remained hidden in their proper obscurity.

This incessant overtrading—beyond the genuine needs and means of the community—is speedily followed by its Nemesis : it is now discovered (as overtrading signifies) that, in this period of commercial insanity and fictitious wealth, commodities have been produced in excess of the power of payment, in supplies surpassing the requirements of the people, and now lying cumbrously idle in the stores, but yet disastrously active in the owner's ruin through growing waste and decay, and the attendant burden of interest upon the capital which they embody and destroy. Financial institutions, infected by the apparent prosperity, have advanced largely to promote these extensions: apprehension compels them to call in, often hopelessly, their loans; money grows scarce and dearer; and without money the baseless commercial fabric which impatient hands have built must fall; bankruptcy succeeds bankruptcy with fatal iteration; and hope merges into dismay and despair. The only remedy, besides a return of common sense and prudence, is the free utilisation of whatever money is left available to sustain the industries and businesses which remain intrinsically stable, by enabling the owners to discharge their debts and continue, for at such a time credit or trust has vanished: paper documents are merely paper void of the confidence in the gold which constituted their worth. The burden of redemption of public confidence—on which the retrieval of a sound and normal system of business essentially depends—falls upon the Bank of England's reserve.

The occurrence of these commercial

crises, as the concluding stage is termed, is periodic: in other words, trade passes through a cycle of recurrent changes in about every eleven years, and Professor Jevons' has tabulated the succession approximately as three years of genuine trade, two of excited